

THE TORONTO STOCK EXCHANGE

8/2/73

FILING STATEMENT NO. 1856.
FILED, FEBRUARY 19th, 1973.

SPOONER MINES AND OILS LIMITED

Full corporate name of Company

The Companies Act of Canada Letters Patent, March 26, 1926

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953

(Ontario) by Letters Patent dated May 1st, 1957).

Reference is made to previous

FILING STATEMENT

Filing Statement No. 1540.

(To be filed with respect to any material change in a company's affairs, including among other things, an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	<p>- Issuance of 133,500 shares to five parties for fees and expenses covering services rendered. See Schedule "A" on pages 4 to 8.</p> <p>- Acquisition of an additional 320 mining claims located in Hopes Advance Bay area, Ungava, Quebec, for \$19,200. to be settled by the issuance of 17,944 shares See Schedule "A" on pages 4 to 8.</p>
2. Head office address and any other office address.	<p>Head Office: Suite 607-80 Richmond St. W., Toronto 1, Ontario</p> <p>Petroleum Division: Suite 703, 6th Avenue S.W. Branch Office Calgary 2, Alberta</p>
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	<p>Chairman of the Board, President, and Director - V. N. Harbinson, 10 Benvenuto Place, Toronto, Ontario - Mining and Oil Executive</p> <p>Vice-President, Finance and Director - F. D. Corman, 5090 Lakeshore Road, Burlington, Ontario - Mining and Oil Executive; formerly Mining Analyst and Stockbroker.</p> <p>Vice-President, International Operations and Director - A. H. Lundin, 6 Rue de la Corraterie, 1204 Geneva, Switzerland - Director of First International Mining & Petroleum Fund; formerly Assistant Director of Centre d'Etudes Industrielles, Geneva, Switzerland, international management development institute.</p> <p>Vice-President, Petroleum and Director - L. Christensen, 3 - 45th Street S.W., Calgary, Alberta - Retired, formerly Manager of the Company's Petroleum Division office.</p> <p>General Manager, Exploration and Director - J. R. Keighley, 9 Wainwright Avenue, Bay Ridge, Annapolis, Md. 21403, U.S.A. - geological consultant.</p> <p>Director - M. Bruce, 1 May Square, Toronto, Ontario - Solicitor</p> <p>Director - J. E. Prothro, 407-8th Avenue S.W., Calgary, Alberta - Solicitor</p> <p>Director - W. L. Matthews, 3 Clarendon Crescent, Toronto, Ontario - Director of Fry Mills Spence Limited</p> <p>Director - "Vacancy"</p> <p>Secretary-Treasurer - J. B. Sage, 51 Winston Grove, Toronto, Ontario, Corporate Secretary; formerly Assistant Secretary of Kerr Addison Mines Limited and other associated mining companies.</p> <p>Controller - A. G. Matthew, 1649 Sherway Drive, Mississauga, Ontario - Corporate Controller; formerly Coal Accountant with McIntyre Porcupine Mines Ltd.; prior to which he was Assistant Manager-Accounting for the Glidden Division of SCM Canada Ltd.</p> <p>Assistant Secretary - M. D. McCallum, Apt. 1001, 40 High Park Avenue, Toronto, Ontario - Secretary</p> <p>Assistant Treasurer - S. D. Epp, Suite 703, Britannia Bldg. 6th Avenue S.W., Calgary 2, Alberta - Secretary</p>
4. Share capitalization showing authorized and issued and outstanding capital.	<p>Authorized: 8,500,000 Shares, N.P.V.</p> <p>Issued and Outstanding: 7,863,344 Shares, N.P.V.</p>

5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	None																																																										
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	<p>There is currently in effect an Officers', Directors' and Employees' Incentive Stock Option Plan on 250,000 shares of the capital stock of the Company of which options on 246,000 shares have been granted. Of these, options on 158,500 shares have been exercised and an option of 35,000 shares has been cancelled (for re-use in accordance with the "Plan"), leaving options on 52,500 shares outstanding.</p> <p>By agreements dated December 18, 1970 and March 30, 1971, options to purchase shares of the capital stock of the Company were granted to Financial Agents as follows:</p> <p>For services rendered to the Company during 1968, 1969 and 1970:</p> <table><tr><th>Financial Agent</th><th>Number of Optioned Shares</th><th>Price per Share</th><th>Expiry Date</th></tr><tr><td>Gaston Coblentz</td><td>26,000</td><td>\$1.80</td><td>December 31, 1973</td></tr><tr><td>Adolf Lundin</td><td>35,000</td><td>\$1.80</td><td>December 31, 1973</td></tr><tr><td>Mitchell, Hutchins & Co. Incorporated</td><td>39,000</td><td>\$1.80</td><td>December 31, 1973</td></tr><tr><td>A. W. Applegath</td><td>25,000</td><td>\$1.80</td><td>December 31, 1973</td></tr></table> <p>For services to be rendered to the Company during 1971, 1972 and 1973:</p> <table><tr><th>Financial Agent</th><th>Total Number of Additional Shares</th><th>Number of Additional Shares Optioned in Each of 1971, 1972 and 1973</th><th>Price per Share with Respect to 1971 Option</th><th>Price per Share with Respect to 1972 Option</th><th>Price per Share with Respect to 1973 Option</th></tr><tr><td>Gaston Coblentz</td><td>26,000</td><td>8,667</td><td>\$2.05</td><td>\$2.30</td><td>\$2.55</td></tr><tr><td>Adolf Lundin</td><td>35,000</td><td>11,667</td><td>\$2.05</td><td>\$2.30</td><td>\$2.55</td></tr><tr><td>Mitchell, Hutchins & Co. Incorporated</td><td>13,000</td><td>13,000</td><td>\$2.05</td><td>Cancelled</td><td>Cancelled</td></tr><tr><td>A. W. Applegath</td><td>25,000</td><td>8,333</td><td>\$2.05</td><td>\$2.30</td><td>\$2.55</td></tr></table> <p>The aforesaid options will expire respectively on December 31, 1974, 1975 and 1976.</p> <p>The options to Mitchell, Hutchins & Co. Incorporated for the years 1972 and 1973 were cancelled by the Company in accordance with the terms of the agreement.</p> <p>Provision was made for an annual choice of monthly cash fees and/or commissions in lieu of options, if prior notice is provided to the Company, as follows:</p> <table><tr><th>Financial Agent</th><th>Amount of Monthly Cash Fee and/or Commission</th></tr><tr><td>Gaston Coblentz</td><td>\$312</td></tr><tr><td>Adolf Lundin</td><td>\$420</td></tr><tr><td>A. W. Applegath</td><td>\$300</td></tr></table> <p>No such notice has been received to date.</p>	Financial Agent	Number of Optioned Shares	Price per Share	Expiry Date	Gaston Coblentz	26,000	\$1.80	December 31, 1973	Adolf Lundin	35,000	\$1.80	December 31, 1973	Mitchell, Hutchins & Co. Incorporated	39,000	\$1.80	December 31, 1973	A. W. Applegath	25,000	\$1.80	December 31, 1973	Financial Agent	Total Number of Additional Shares	Number of Additional Shares Optioned in Each of 1971, 1972 and 1973	Price per Share with Respect to 1971 Option	Price per Share with Respect to 1972 Option	Price per Share with Respect to 1973 Option	Gaston Coblentz	26,000	8,667	\$2.05	\$2.30	\$2.55	Adolf Lundin	35,000	11,667	\$2.05	\$2.30	\$2.55	Mitchell, Hutchins & Co. Incorporated	13,000	13,000	\$2.05	Cancelled	Cancelled	A. W. Applegath	25,000	8,333	\$2.05	\$2.30	\$2.55	Financial Agent	Amount of Monthly Cash Fee and/or Commission	Gaston Coblentz	\$312	Adolf Lundin	\$420	A. W. Applegath	\$300
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Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	<p>Participants in the employees' Stock Option Plan are:</p> <table><tr><th>Optionee</th><th>No. of Shares</th><th>Price per Share</th></tr><tr><td>F. D. Corman</td><td>5,000</td><td>\$1.25</td></tr><tr><td>J. R. Keighley</td><td>40,000</td><td>\$1.25</td></tr><tr><td>J. B. Sage</td><td>7,500</td><td>\$1.25</td></tr></table>	Optionee	No. of Shares	Price per Share	F. D. Corman	5,000	\$1.25	J. R. Keighley	40,000	\$1.25	J. B. Sage	7,500	\$1.25																																														
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8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	Not applicable
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	The Company proposes to maintain its participation in its various exploration projects and, depending on the availability of funds, may option or otherwise acquire properties of merit from time to time on as favourable terms as may be available. In particular, the claims acquired in Ungava, Quebec, can be maintained without cost until September 1973, prior to which time, an exploration programme may be planned if merited in accordance with the activities of other mining companies in the immediate area.
10. Brief statement of company's chief development work during past year.	<p><u>Arctic Islands</u></p> <ul style="list-style-type: none"> - drilling and seismic by farmee, Panarctic Oils Ltd. <p><u>Ungava, Quebec</u></p> <ul style="list-style-type: none"> - diamond drilling, ground geophysics and geochemical survey carried out by Imperial Oil (Enterprises) Ltd., the farmee. - acquisition of 320 new claims in Hopes Advance Bay region at a cost of \$19,000, to be settled by the issuance of 17,944 shares - acquisition of 100 claims in Diana Bay region at a cost of \$5,000 <p><u>Sturgeon Lake area Ontario</u></p> <ul style="list-style-type: none"> - ground geophysics, electromagnetic and magnetometer surveys and diamond drilling carried out by Granges Exploration (Canada) AB <p><u>Western U.S.A.</u></p> <ul style="list-style-type: none"> - diamond drilling, geochemical and geophysical surveys by Parnasse Company, Inc., the managing participant in the joint venture (Spooner's portion - \$94,624) - general exploration in Noble/Spooner venture (Spooner's portion - \$22,846) <p><u>New Hampshire, U.S.A.</u></p> <ul style="list-style-type: none"> - mapping, ground geophysics, diamond drilling carried out by General Crude Oil & Minerals Company, S.A. and North American Exploration, Inc., the other participants in the joint venture. (all costs of Phase I being paid by General Crude Oil to a maximum of \$40,000. to earn a one-third interest)
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	Not applicable
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	Not applicable
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	None

SCHEDULE "A"

At a meeting of the Board of Directors held on August 10, 1972, authorization was given for the allotment of the following shares at a price of 75 cents per share for fees and expenses covering past services (see attached schedules):

<u>Period of Services</u>	<u>Allottee and Service Rendered</u>	<u>Cash Equivalent</u>	<u>Number of Shares</u>
December 1, 1971 - July 31, 1972	J. R. Keighley (geological)	\$26,851.54	36,000
December 1, 1971 - June 30, 1972	A. H. Lundin (administrative)	\$14,492.08	19,500
February 1, 1972 - July 31, 1972	V. N. Harbinson (advances, financial & administrative) (see note 1)	\$46,671.13	62,500
March 1, 1972 - July 31, 1972	F. D. Corman (engineering & administrative)	\$ 2,500.00	3,500
April 1, 1971 - July 31, 1972	M. Bruce (legal) (see note 2)	\$ 8,858.31	12,000
			<u>133,500</u>

Note 1 The allottee of 4,000 of the said shares is to be Chapco Investment Corporation Limited, wholly owned by V. N. Harbinson and the allottee of 21,500 of said shares is to be Professional Management Services, a sole proprietorship of V. N. Harbinson.

Note 2 The allottee of the said shares is Bansco & co. the nominee of Manning, Bruce, Macdonald & Macintosh of which M. Bruce is a partner, and by which partnership M. Bruce's services were billed.

Since the Company is currently unable to pay the relevant fees and expenses and the allottees have agreed to accept in consideration thereof the issuance of the aforementioned shares, the authorization for the issuance was given subject to the Company receiving an affirmative legal opinion that the issuance of the shares is expressly exempt from registration under the Securities Act of Ontario and subject to any requirements imposed by the Toronto Stock Exchange. The Company has received an affirmative legal opinion in this regard, and the Exchange has requested that the Company seek specific approval of its shareholders at its next annual or special general meeting, which approval the Company has undertaken to obtain prior to the issuance of such shares.

Each of the five parties to receive such shares are aware that the shares have not been qualified for resale to the public and that any such sale would only be made in accordance with the requirements of the regulatory bodies having jurisdiction.

(b) Under an agreement dated October 1, 1971, the Company acquired an additional 320 mining claims located in the Hopes Advance Bay area, Ungava, Quebec, for \$19,200. to be settled by the issuance of 8,972 shares to each of the vendors, Messrs. D. McKinnon and P. Ferderber. An application to the Ontario Securities Commission to qualify the issuance and resale of the said shares has been made recently and a ruling in this regard is expected imminently.

SPooner Mines and Oils Limited

RED LINED

Summary of Shares to be Issued for Services

<u>Name</u>	<u>As At</u>	<u>Amount</u>	<u>Price Per Share</u>	<u>Number of Shares</u>	<u>Detail</u>
J. R. Keighley	*7/31/72	<u>\$ 53,703.07</u>			
		$\div 2 =$			
A. H. Lundin	6/30/72	\$ 26,851.54	\$.75	36,000	See attached
V. N. Harbinson	7/31/72	14,492.08	.75	19,500	See attached
Chapcoe Investment Corporation		27,589.19	.75	37,000	See attached
Limited	7/31/72	3,012.43	.75	4,000	See attached
Professional Management Services	7/31/72	16,069.51	.75	21,500	See attached
F. D. Corman, B.Sc., P.Eng.	7/31/72	2,500.00	.75	3,500	See attached
Manning, Bruce, Macdonald & Macintosh	7/31/72	<u>8,859.31</u>	.75	12,000	See attached
		<u>\$ 99,373.06</u>		133,500	

* Mr. J. R. Keighley was retained by Spooner Mines and Oils Limited and Noble Mines & Oils Ltd. for the Western U.S.A. joint ventures. His fees and expenses are, therefore, shared on an equal basis.

August 10, 1972

SPOONER MINES AND OILS LIMITED

Summary of Fees and Expenditures for Services

<u>Name</u>	<u>Date</u>	<u>Amount</u>	<u>Explanation</u>
A. H. Lundin		\$14,581.00	Fee @ \$2,083/mo.
(Administrative & office services			Dec. 1/71-June 30/72
re branch office for group of		4,911.08	Expenditures
four companies in Geneva, Switzerland)		19,492.08	
- see Note (a).		(5,000.00)	Cash paid on account
		<u>\$14,492.08</u>	
V. N. Harbinson	2/18/72	\$25,000.00	Cash advance
(Advances, & administrative	5/13/71	89.19	Expenditures
services)	6/29/72	2,500.00	Cash advance
		<u>\$27,589.19</u>	
Chapcoe Investment Corporation		\$ 3,000.00	Fee @ \$500/mo.
Limited (Financial and Investment			Feb. 1-July 31/72
Advisory Services)		12.43	Expenditures
		<u>\$ 3,012.43</u>	
Professional Management Services		\$ 9,000.00	Fee @ \$1,500/mo.
(Office and Administrative			Feb. 1-July 31/72
Management Services)		908.04	Office Expenditures
		6,188.81	Travel Expenditures
		972.66	Tel & Tel Expenditures
		(1,000.00)	Cash paid on account
		<u>\$16,069.51</u>	
F. D. Corman, B.Sc., P.Eng.		<u>\$ 2,500.00</u>	Fee @ \$500/mo.
(Engineering & Administrative services)			March 1-July 31/72
Manning, Bruce, Macdonald & Macintosh		\$ 1,893.05	April 1-June 30/71
(Legal Fees & Disbursements)		2,068.14	July 1-September 30/71
		4,019.85	October 1/71-Mar. 31/72
		877.27	April 1-July 31/72
		<u>\$ 8,858.31</u>	

Note (a):

This Geneva office arrangement was agreed upon in order to expose four companies to the exploration opportunities and financial sources available in Europe. The fee of Mr. Lundin and relevant office overhead and travel costs were apportioned equitably among the four companies, namely; Spooner, Noble Mines & Oils Ltd., Consolidated Durham Mines & Resources Limited and Canada Geothermal Oil Ltd. The arrangement was discontinued effective June 30, 1972 but as none of the companies were in a position then to settle their portion of the outstanding amount, Mr. Lundin agreed to accept shares of Spooner as payment in full of his total account. Spooner's portion of the above net amount is \$5,273.74 and, subsequent to the date of this Filing Statement, both Noble's and Geothermal's portions were settled in full. Consolidated Durham's portion is included in the total amount owing to Spooner under Consolidated Durham's creditors' proposal which is referred to in Schedule 17(b) of this Filing Statement.

August 10, 1972

J. R. KEIGHLEY

SCHEDULE OF FEES AND EXPENDITURES
DECEMBER 1, 1971 - JULY 31, 1972

	TOTAL	(9% per year) Interest	Cash advanced Reno Office	Keighley Salary	Keighley Expenses	Cooke Fee
	\$	\$	\$	\$	\$	\$
1971 December expenses	9,097.95			2,700.00	2,911.71	569.50
1972 January expenses	6,411.26	68.23		3,000.00	1,590.86	201.00
1972 February expenses	7,345.29	116.32		3,000.00	2,616.21	603.00
1972 March expenses	5,496.43	171.41		3,000.00	1,520.27	770.50
1972 April expenses	5,263.40	212.63		3,000.00	2,050.77	
1972 May expenses	4,936.54	252.18		3,000.00	1,684.36	
1972 June expenses	9,293.44	289.13	4,824.81	3,000.00	1,179.50	
1972 July cash pd on a/c (1,000.00)			(1,000.00)			
1972 July expenses	6,858.76	358.83		3,000.00	2,327.48	435.50
	\$53,703.07	\$1,468.73	\$3,824.81	\$23,700.00	\$15,881.16	\$2,579.50

NOTE: Mr. J. R. Keighley was retained by Spooner Mines and Oils Limited and Noble Mines & Oils Ltd. for the Western U.S.A. joint ventures. His fees and expenses are, therefore, shared on an equal basis.

J. R. KEIGHLEY

SCHEDULE OF FEES AND EXPENDITURES
DECEMBER 1, 1971 - JULY 31, 1972 - cont'd

Cooke Expenses	Hendrickson Fee	Hendrickson Expenses	Penick Fee	Penick Expenses	Cherry Creek Option	Keighley Trip to Durham
\$	\$	\$	\$	\$	\$	\$
252.39	487.50	528.87	150.00	6.94	1,000.00	491.04
17.70			375.00	158.47	1,000.00	
9.76					1,000.00	
34.25						
<u>132.32</u>	<u>262.50</u>	<u>342.13</u>				
\$ 446.42	\$ 750.00	\$ 871.00	\$ 525.00	\$ 165.41	\$3,000.00	\$ 491.04

SCHEDULE "B"

<u>Shares</u>	<u>Company</u>	<u>Book Value</u>	<u>Market Value</u>
445	Inversiones La Dura S.A.	\$ -	No Market
71.25	First, Second and Third Preference shares F.E.A. Griffiths Corporation Limited	1	No Market
447,000	New Quebec Mining and Exploration Limited	366,489	\$223,500
480,000	New Quebec Mining and Exploration Limited (escrowed)	incl. above	240,000
104,000	Muskox Mines Limited	-	No Market
312,500	Consolidated Durham Mines & Resources Limited (see attached schedule 17(b))	100,000	212,500
58,870	NBU Mines Limited	34	124,804
87,480	NBU Mines Limited (escrowed)	incl. above	185,458
50,000	Larchmont Mines Limited	19,250	5,000 (ask)
225,000	Larchmont Mines Limited (escrowed)	incl. above	22,500 (ask)
1,932	Peace River Petroleum Ltd.	1	No Market
9,712	Peace River Petroleum Ltd. (escrowed)	1	No Market
- 600	Alcon Exploration & Mining Syndicate	1	No Market
30,000	Pan Minerals, Inc.	8,583	11,250

Note 1: Under an option agreement dated June 15, 1971, the Company was given an option by The Wolverine Foundation and Bridgestone Resources Ltd. to purchase 461,000 shares of Canada Geothermal Oil Ltd. at \$1.00 per share exercisable at a maximum of 20% per year over a five-year period beginning September 23, 1971. The Company's present option stands at 368,800 shares.

Additional Investments in Consolidated Durham Mines & Resources Limited

1. Under a letter agreement dated July 8, 1970, ratified by the shareholders of Consolidated Durham Mines & Resources Limited ("Durham") on September 2, 1970, Spooner Mines and Oils Limited agreed to act as manager of Durham's Lake George antimony property located in the Province of New Brunswick. Under the terms of this agreement, Spooner is to provide management and arrange financing in consideration for an option on 750,000 shares of Durham's capital stock at \$1.00 per share, exercisable on or before July 8, 1975. In addition, after production has commenced, Spooner will provide operating management at cost plus 15% of net profits from the operations for a period of five years from commencement of production, renewable for an additional five years at Spooner's discretion.

Under an amending agreement dated October 15, 1970, Spooner agreed that it would not exercise more than 600,000 shares under this option until such time as Durham increased its authorized capital to at least 5,500,000 shares.

Under a further agreement dated November 15, 1971, between Her Majesty the Queen in Right of the Province of New Brunswick, Spooner Mines and Oils Limited and Consolidated Durham Mines & Resources Limited, relating to the guarantee by the Province of a bank loan to Durham in the amount of \$900,000, Durham granted to the Province an option to purchase 200,000 shares of Durham at a price of 60¢ per share, which option is exercisable until 3 months after termination of the Province's guarantee. In order to provide sufficient authorized but unissued treasury shares of Durham for the Province's option, Spooner agreed to waive its right to exercise its option on an additional 200,000 shares during the period of the Province's option or until Durham increases its authorized capital to at least 5,500,000 shares.

Spooner's option, therefore, now stands at 400,000 shares at \$1.00 per share until Durham increases its authorized capital.

2. Spooner agreed in 1970 to accept 78,125 shares of Durham in settlement of the initial \$25,000 advanced on the Durham drilling programme. Issuance is subject to approval of the Ontario Securities Commission.

3. In accordance with its commitment to arrange financing for Durham, and in order to protect its investment therein, Spooner continued to advance funds to Durham until Durham had received part of the loan funds from the Province and, subsequently, until Durham completed arrangements for a moratorium on payments to all of its creditors. A proposal by Durham was duly approved by all of its creditors in May 1972. The advances made by Spooner up to the time of the proposal stand at approximately \$375,000 and it is projected that repayment to Spooner could begin by December 1973 following repayment to all other creditors.

»Financial Statements«

SPOONER MINES AND OILS LIMITED
(Incorporated under the laws of Canada) *E*
BALANCE SHEET

as at September 30. 1972
(unaudited)

ASSETS

Current Assets	
Accounts receivable (see Note)	\$ 114,628
Deposits and prepaid expenses	13,606
	<u>128,234</u>
Deferred accounts receivable	
Consolidated Durham Mines & Resources Limited	<u>374,859</u>
Interest in and advances to other companies	<u>532,816</u>
Oil and gas interests	<u>172,723</u>
Other assets and deferred expenditures:	
Mining claims	150,240
Mining exploration expenditures deferred	458,432
Office equipment and vehicle, at cost less accumulated depreciation	6,696
	<u>615,368</u>
	<u>\$1,824,000</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities	
Bank overdraft (secured)	64,197
Bank loan (secured)	16,000
Note payable	73,000
Accounts payable and accrued liabilities	323,153
	<u>476,350</u>
Shareholders' Equity	
Capital stock	
Authorized - 8,500,000 shares N.P.V.	
Issued - 7,881,288 shares	3,950,686
Deficit	2,603,036
	<u>1,347,650</u>
	<u>\$1,824,000</u>

Note: Subsequent to the date of this Filing Statement,
Accounts Receivable totalling \$66,654 included
in this amount were paid to the Company.

Approved on behalf of the Board:

November 29, 1972
Toronto, Ontario

M. Fairbairn Director
W. L. Gorman Director

STATEMENT OF OIL AND GAS OPERATIONS for the three months ended September 30, 1972 (unaudited)

	\$
Sale of crude oil and natural gas	<u>8,279</u>
Deduct	
Royalties	990
Administrative expenses	600
Production expense	3,315
	<u>4,905</u>
Profit from oil and gas production (to deficit)	<u>3,374</u>

STATEMENT OF DEFICIT as at September 30. 1972 (unaudited)

	\$
Balance, June 30, 1972	2,591,694
Plus - deferred development expenditures	
written off \$14,716	
Less- profit from oil and gas production	<u>3,374</u>
	<u>11,342</u>
	<u>\$2,603,036</u>

SPOONER MINES AND OILS LIMITED
STATEMENT OF MINING EXPLORATION EXPENDITURES DEFERRED
for the three months ended September 30, 1972
(unaudited)

	\$
Administration and general expenses (net)	11,952
General exploration	<u>2,764</u>
	14,716
Southern Pacific Project, U.S.A. - 25% interest	3,117
Southwestern U.S.A. - 50% interest	<u>3,855</u>
	21,688
Balance deferred at beginning of year	<u>451,460</u>
	473,148
Deduct amount written off to deficit	<u>14,716</u>
Balance deferred at end of period (9/30/72)	<u>\$458,432</u>

SUMMARY



	Balance 6/30/72	Expenditures	Written off	Balance 9/30/72
	\$	\$	\$	\$
State of New Hampshire, U.S.A.	80,000			80,000
- 50% interest				
Southern Pacific Project				
- 25% interest	259,646	3,117		262,763
Southwestern U.S.A.				
- 50% interest	104,470	3,855		108,325
Sturgeon Lake Project, Ontario				
- 40% interest	6,783			6,783
Ungava project, Quebec				
- 100% interest	561			561
Administrative and general expenses (net)		11,952	11,952	
General exploration		<u>2,764</u>	<u>2,764</u>	
	<u>\$451,460</u>	<u>\$ 21,688</u>	<u>\$ 14,716</u>	<u>\$458,432</u>

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
for the three months ended September 30, 1972
(unaudited)

Source of funds	
Profit from gas and oil operations	\$ 3,374
Collection of deferred accounts receivable	<u>19,400</u>
	22,774
Application of funds	
Oil and gas interests	1,740
Exploration and administrative expenditures	<u>21,688</u>
	23,428
Decrease in working capital position	654
Working capital deficiency at beginning of year	<u>347,462</u>
Working capital deficiency at September 30/72	<u>\$348,116</u>

November 29, 1972
Toronto, Ontario

Approved on behalf of the Board:

 Director
 Director

14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	Not applicable													
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	<table><thead><tr><th><u>Name and Address</u></th><th><u>Number of Shares</u></th></tr></thead><tbody><tr><td>Draper, Dobie & Company Limited 25 Adelaide Street West Toronto, Ontario</td><td>489,030**</td></tr><tr><td>Roycan & Co. P. O. Box 6007 The Royal Bank of Canada Montreal, P. Q.</td><td>469,565*</td></tr><tr><td>Bankmont & Co. c/o Bank of Montreal Montreal, P. Q.</td><td>245,905*</td></tr><tr><td>Roytor & Co. Account No. 1 c/o The Royal Bank of Canada 20 King Street West Toronto, Ontario</td><td>228,455*</td></tr><tr><td>Roytor & Co. Account No. 51 c/o The Royal Bank of Canada 20 King Street West Toronto, Ontario</td><td>172,809*</td></tr></tbody></table>	<u>Name and Address</u>	<u>Number of Shares</u>	Draper, Dobie & Company Limited 25 Adelaide Street West Toronto, Ontario	489,030**	Roycan & Co. P. O. Box 6007 The Royal Bank of Canada Montreal, P. Q.	469,565*	Bankmont & Co. c/o Bank of Montreal Montreal, P. Q.	245,905*	Roytor & Co. Account No. 1 c/o The Royal Bank of Canada 20 King Street West Toronto, Ontario	228,455*	Roytor & Co. Account No. 51 c/o The Royal Bank of Canada 20 King Street West Toronto, Ontario	172,809*	<p>* The beneficial ownership of these shares is not known to the director and officers of the Company.</p> <p>** Other than 128,700 shares which are beneficially owned by Mr. V. N. Harbinson, the President of this Company, the beneficial ownership of these shares is not known to the directors and officers of the Company. (Mr. Harbinson is the beneficial owner of a total of 687,368 shares which are registered in the names of various brokerage firms and nominees)</p>
<u>Name and Address</u>	<u>Number of Shares</u>													
Draper, Dobie & Company Limited 25 Adelaide Street West Toronto, Ontario	489,030**													
Roycan & Co. P. O. Box 6007 The Royal Bank of Canada Montreal, P. Q.	469,565*													
Bankmont & Co. c/o Bank of Montreal Montreal, P. Q.	245,905*													
Roytor & Co. Account No. 1 c/o The Royal Bank of Canada 20 King Street West Toronto, Ontario	228,455*													
Roytor & Co. Account No. 51 c/o The Royal Bank of Canada 20 King Street West Toronto, Ontario	172,809*													
16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	To the knowledge of the Management, there is no person or shareholder whose shareholdings are large enough to materially affect control of the Company													

17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	See Schedule "B" on pages 9 and 10.
18. Brief statement of any lawsuits pending or in process against company or its properties.	An action was commenced in the Supreme Court of Ontario on February 20, 1969 by Ursa Polaris Developments Corporation against all parties in a syndicate of which the Company was a member, and which sold its assets to MuskoX Mines Limited for shares. In the opinion of the Company's counsel, the action is without merit and the Company as well as the other defendants are defending the action. The plaintiff has taken no steps towards trial since September 12, 1969.
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	There are no other outstanding material contracts which have been entered into by this Company.
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	Subsequent to the date of this Filing Statement, the shareholders of the Company confirmed a by-law which decreased the number of directors of the Company from nine to six. Otherwise, there are no other material facts. The shares of the Company are not in the course of primary distribution to the public.

DATED October 18, 1972

CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"V.N. HARBINSON"

President

"F.D. CORMAN"

Vice-President Finance

CORPORATE
SEAL

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)